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Chairperson: Ms. Intelmann ..... (Estonia)
later: Mr. Barry (Vice-Chairperson) ..... (Senegal)
later: Ms. Intelmann (Chairperson) ..... (Estonia)

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The meeting was called to order at 3.05 p.m.

Agenda item 69: Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance (*continued*)

(b) Special economic assistance to individual countries or regions (*continued*) (A/C.2/61/L.8*)

Draft resolution on humanitarian assistance and reconstruction for the Philippines

1. **Mr. Blas** (Philippines), introducing draft resolution A/C.2/61/L.8*, said that the oil spill had been declared a national disaster. He informed the Committee that Afghanistan, Cambodia, Israel, Japan, Kenya, Lao People's Democratic Republic, Lesotho, Morocco, Myanmar, Singapore and Thailand had joined the sponsors, and expressed the hope that the draft resolution would be adopted by consensus.

Agenda item 51: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*) (A/61/15 (Parts I-IV) and A/61/272)

2. **Mr. Mchumo** (Observer for the Common Fund for Commodities) said that the current session of the General Assembly was the first occasion on which the Common Fund for Commodities was attending as an observer, and that his organization hoped to participate constructively in the discussions of the Committee. The core activity of the Common Fund was to combat poverty in commodity-dependent developing countries by ensuring greater productivity and increased income, particularly through increased export earnings.

3. Although commodity prices had begun to improve since 2003, they were still at a fraction of their level a decade earlier, and there were indications that the recovery had slowed down. Erosion in the terms of trade for developing countries was partly attributable to oil price increases, and to the low capacity of those countries to service their foreign debt. Diverging views on trade in agricultural commodities and market access — which had become a central issue within the Doha Round — had led to the suspension of the negotiations. The Common Fund firmly believed that greater market access and fair competition would lead to higher growth because of potential gains from trade, investment and the assimilation of imported technology. The breakdown in negotiations meant that hopes for an improved agricultural commodity trade would not materialize as soon as expected.

4. Nevertheless, it was gratifying to note that South-South trade in commodities was rapidly expanding. The Common Fund for Commodities was pleased to have been involved in the first African Ministerial Conference on Commodities, held in 2005, whose outcome had been the Arusha Declaration on African Commodities, and its plan of action. The Conference had represented a landmark as it provided a forum for agreement between African countries on a strategy for addressing an issue key to development and poverty reduction.

5. The Common Fund had also formulated strategic policy recommendations to combat poverty and accelerate development. They included the implementation of international resolutions on providing additional resources for agriculture and commodity development, particularly with respect to productive capacity; the conclusion of the Doha Round; tackling commodity price decline and volatility; and commodity diversification, including the establishment of an International Diversification Fund. In addition, adequate resources should be provided to operationalize the proposed International Task Force on Commodities, and the international community should support the implementation of the Arusha Declaration and plan of action.

6. Through its commodity-focused measures, the Common Fund was committed to making a firm contribution to the eradication of poverty through enhanced international trade in commodities.

7. **Mr. Nikitov** (Ukraine), speaking on behalf of the States members of the Organization for Democracy and Economic Development, namely, Georgia, Ukraine, Azerbaijan and Moldova (GUAM), said that it was important to ensure that the global trading system provided advantages to all countries. Apart from having a positive impact on the global economy in general, expanded markets would allow countries with economies in transition to benefit from trade liberalization, and to better integrate into the global economic system.

8. The States members of GUAM believed that strengthening the role of the World Trade Organization (WTO) to become a truly universal body would improve the international trading system. In that context, he stressed the importance of facilitating the accession of new WTO members. In recognition of the vital role of trade in development, GUAM States also supported the early resumption of talks within the Doha Round. Further inaction in that context would jeopardize the multilateral trading system and global prospects for growth and development.

9. As the primary coordinator of trade-related United Nations activity, the United Nations Conference on Trade and Development (UNCTAD) should reinvigorate efforts to ensure the integrated treatment of trade and development in its programmes and policies, and work in cooperation with WTO to improve coordination of the global development agenda.

10. **Mr. Daniel** (Saint Vincent and the Grenadines), speaking on behalf of the Caribbean Community (CARICOM), said that the market openness of CARICOM member States had also made them highly vulnerable to external shocks in the multilateral trading system. The constant adjustment to the changing international trading environment had posed a major challenge to small economies. Although their trading practices were in compliance with WTO rules, CARICOM countries had not reaped significant gains from freer trade, as exemplified by their negative experience in bananas and sugar. Their industries were crumbling as a result of lower commodity prices, yet CARICOM members continued to adapt and adjust, by deepening intraregional trade while enhancing trading agreements and relationships with major trading partners outside the region.

11. He reiterated the intention of CARICOM to establish a single market, and called for the cooperation of the international community in improving market access for products originating in the region. CARICOM hoped for an early resumption of WTO negotiations, and expressed particular concern regarding their implications for agricultural trade. In that connection, he reiterated the importance of ensuring that Special Products, Special Safeguard Mechanisms and preferences were elements of any negotiated outcome. Enhanced competitiveness of domestic producers, along with improved market access, constituted the appropriate policy mix for real trade-led growth and development. It was therefore vital for the international community to support the efforts of CARICOM States and other developing countries to boost their private sector supply capacity, support trade diversification, improve links between the services and commodities sectors and other parts of the economy, and support infrastructural development to boost trade.

12. **Mr. Chidumo** (Mozambique), speaking on behalf of the States members of the Southern African Development Community (SADC), said that it was disappointing that negotiations on the Doha Development Agenda had been indefinitely suspended, while the long-standing concerns of developing countries remained. The General Assembly should provide clear guidance for the resumption of trade talks, taking into account the development dimension and agriculture, which were at the centre of the negotiations.

13. From the perspective of SADC member States, the elimination of agricultural subsidies, the removal of tariff peaks and escalations on non-agricultural goods, and the need to give developing countries time to build their capacities and regulatory frameworks in trade and services, were essential to their collective efforts to achieving a fair trading system that was responsive to the needs of developing countries. In order to foster the development dimension of the current trade negotiations, SADC emphasized the importance of preserving the integrity of the Doha mandate under the single undertaking, and the need to carefully address the issues of preferential treatment and aid for trade.

14. Through the adoption of a protocol on trade, SADC highlighted the importance of increasing trade among member States, thereby underscoring its commitment to poverty eradication, and sustained economic growth and development. He was pleased to point out that trade within SADC had increased from 5 per cent, in 1980, to a current level of 25 per cent; the goal was to bring that figure to 35 per cent by 2008. While efforts to achieve development were critical, trade challenges must be addressed in a holistic manner. Market access opportunities should be complemented by a substantial increase in ODA directed at infrastructural development, and through specific incentives to private sector participation.

15. *Mr. Barry (Senegal), Vice-Chairperson, took the Chair.*

16. **Mr. Tarragô** (Brazil), speaking on behalf of the Common Market of the South (MERCOSUR), said that regional integration had become a key factor in promoting trade liberalization and expansion among countries of the South, as a complement to multilateral trade negotiations. He agreed that the suspension of WTO negotiations, in the absence of an agreement on agriculture, among others, was a serious setback for the process of placing development in the mainstream of the multilateral trading system.

17. It had been widely recognized that agriculture played a critical role in the economies of developing countries, in terms of export earnings, and employment, particularly in rural areas. The efforts of developing countries to eradicate hunger and poverty were undermined by international agricultural trade distortions, which generated excess production and restricted the efficient processing of food products.

18. The Doha Round had presented an invaluable opportunity to redress the gross imbalances created by trade-distorting domestic support, but its outcome had now been jeopardized. In previous trade rounds, much had been demanded of developing countries with regard to the liberalization of trade in manufactured goods, and earlier promises to developing countries had yet to be met. He took the opportunity to recall that agriculture had been discriminated against and excluded from the rules of free trade for over 50 years, and that it should now be fully integrated into trade rules and disciplines.

19. The States members of MERCOSUR were of the view that the conclusion of the Doha Round would be considered satisfactory only if its outcome guaranteed effective liberalization in agricultural trade along the lines of the three pillars: namely, the reduction of domestic support, improved market access and the dismantling of export subsidies, with special attention to the need for special and differential treatment of developing countries, in order to narrow the development gap and overcome existing asymmetries. In conclusion, he called on the developed countries to demonstrate flexibility and political will in removing the obstacles to the resumption of negotiations.

20. **Mr. Valenzuela** (Observer for the European Commission), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey, the stabilization and association process countries Albania, Bosnia and Herzegovina and Serbia; and, in addition, Moldova and Ukraine, said that as the Doha Round offered a real opportunity for global economic growth and development, the European Union deeply regretted the suspension of the Doha Development Agenda negotiations, which was not of its choosing or making. The situation could have been avoided if sufficient commitment and flexibility had been shown, particularly because differences had not been unbridgeable and on many areas agreements had been within sight. There had been a prospect of a balanced deal delivering real economic benefits for all Members.

21. The European Union had done its utmost to maintain the momentum, showing genuine flexibility on agricultural market access. It had been ready to raise its average farm tariff cut offer significantly, provided that others agreed to show similar flexibility in their positions. That would have been a substantial move, and by far the deepest farm tariff cuts ever offered in a multilateral negotiation. A number of other negotiators, to a greater or less extent, had also shown flexibility in areas where they had had acute concerns, such as agriculture or industrial tariffs. Potentially there had been much on offer for developing countries in the Doha Round, and thus a great deal to lose. What remained on the table were enormous increases in market access for developing country products — both agricultural and industrial — and services, including through increased South-South trade; the phasing out of export subsidies in agriculture and a substantial reduction of trade-distorting domestic subsidies in agriculture; much better trade rules, which would protect small countries from predatory or unilateral behaviour and would lock in good governance — for example, greater transparency — forcing developed and large developing countries to act fairly towards small ones; agreement on basic principles of gradual liberalization; and measures to address preference erosion and duty-free/quota-free entry for products originating from least developed countries. All that was now in question.

22. A number of issues, such as a reduction of farm subsidies, duty-free/quota-free entry for products originating from least developed countries, solutions to preference erosion and the improvement of anti-dumping rules, could be dealt with effectively in multilateral negotiations only, and not by way of free trade agreements. The offers already on the table

should be maintained, and comparable offers should be made. All Members should be ready to restart the negotiation from that basis as soon as circumstances allowed. For its part, the European Union was committed to a result that would deliver real cuts in tariffs, effective cuts in trade-distorting subsidies and real new trade flows, as part of a deal that should bring benefits to all WTO members. The European Union would further ensure that the Doha Round really brought benefits to the poorest countries, consistent with its development focus. The European Union was also in favour of an early implementation — by 2008 — of duty-free/quota-free entry for products originating in least developed countries by all developed countries and developing countries in a position to do so.

23. There was simply no alternative to the multilateral trading system and WTO: bilateral or regional free trade agreements had their merits and could complement a multilateral framework but they could not replace it, especially in terms of development.

24. Meanwhile, work on the part of the wider Doha Development Agenda that was not affected by the suspension should continue, focusing on potential benefits for developing countries such as aid for trade and the integrated framework. Increased and more effective aid for trade was needed in order to enable developing countries, particularly least developed countries, better to integrate into the multilateral, rule-based trading system and to use trade more effectively in promoting the overarching objective of poverty eradication. In that context, the European Union welcomed the report of the Secretary-General on international trade and development (A/61/272), which clearly stated what needed to be done by the international community to deliver growth, development and poverty eradication. The report rightly emphasized the enormous growth in non-agricultural exports enjoyed by some advanced and competitive developing countries, and those countries needed to make a contribution in the Doha Round that was commensurate with their capacity and their weight in world trade. Liberalization of the rapidly growing markets in competitive developing countries was of key importance, since more than 60 per cent of the duties paid by developing countries were paid to other developing countries.

25. The Doha Development Agenda remained the central priority of the European Union's trade policy, and the Union remained committed to the case for open markets, progressive trade liberalization and stronger multilateral rules as a trigger for growth and development. In that spirit, it was necessary to look ahead towards a successful outcome of the Doha Round.

26. **Ms. Behounghedji** (Benin), speaking on behalf of the Group of Least Developed Countries and referring to the Declaration of the High-level Meeting on the Midterm Comprehensive Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, said that the atmosphere at the High-level Meeting had produced a glimmer of hope for the remainder of the decade, in spite of the generally negative assessment of the first half of the decade. To enable the least developed countries to attain the objective of strengthening the role of trade in development, it was necessary to find solutions to the numerous challenges they faced, notably the fluctuating and unstable prices of agricultural products on world markets, their inability to add value to their agricultural products and the lack of diversification in their export products. With their limited production capacities, the least developed countries did not make full use of their preferential market access opportunities; their equitable participation in the world market was also impeded by the scandalous high subsidies the developed countries gave their producers.

27. A further challenge was the large number of documents and other bureaucratic obstacles which increased the cost of commercial transactions and reduced their export competitiveness. The international community should go beyond mere declarations of intent and engage in bold action. Development partners should accord the least developed countries special and differential treatment and duty-free market access.

28. The least developed countries were disappointed at the suspension of the Doha Development Agenda negotiations, and called for their immediate resumption. They expressed their gratitude to UNCTAD for its continued support in capacity-building, and to the UNCTAD Trade and Development Board, which had undertaken an objective analysis of the situation of the least developed countries and had identified measures to help them to emerge from the poverty trap.

29. *Ms. Intelmann (Estonia) resumed the Chair.*

30. **Ms. Tembo** (Zambia) expressed regret that the current round of Doha Development Agenda negotiations had collapsed without a clear indication of whether they would be resumed. Zambia had expected a number of outcomes, notably improved agriculture and non-agriculture market access through the provision of duty-free/quota-free market access for all products originating from least developed countries, accompanied by simplified and transparent rules of origin; operationalization of the modalities for the special treatment of least developed countries in services negotiations, as well as market access for semi-skilled and low-skilled categories; elimination of all export subsidies, including those which distorted the international market for cotton and other agricultural products; and enhanced and targeted technical assistance and capacity-building programmes to address trade-related bottlenecks.

31. Even before the Sixth WTO Ministerial Conference, held in Hong Kong in December 2005, developed countries had pledged to deliver on development-related areas such as duty-free and quota-free market access and aid for trade in what was termed the "development package". And yet the outcome of that conference had fallen far short of what Zambia and other least developed countries had understood to be a "development package" as it had not spelled out immediate, positive or full benefits. Furthermore, the package had not included concrete outcomes on reduction and elimination of domestic trade-distorting subsidies in agriculture, which was a key sector for most least developed countries in terms of livelihood and food security. It was therefore not surprising that the subsequent negotiation process in Geneva had failed to build on the Conference's meagre achievements. Difficulty in establishing the right balance between market access in agriculture and development needs of least developed countries and developing countries had been a major cause of the failed negotiations, and Zambia was of the view that negotiations on that issue needed to be addressed as soon as possible. Zambia was deeply concerned that the suspension was indefinite and that there was no road map for the way forward. Indefinite suspension would have a large number of negative implications for the multilateral trading system and would undermine the achievements of WTO. In that respect, least developed countries and developing countries would continue to be marginalized and would never be delivered from poverty and underdevelopment.

32. Zambia called for the early resumption of the Doha Development Agenda negotiations, and appealed to the developed countries to be flexible and to make significant trade-offs for their successful conclusion.

33. **Archbishop Migliore** (Observer for the Holy See) noted that in the past five years, during which a number of military initiatives and operations of vast proportions had been undertaken, no substantial progress had been made in the reform of political finances and international trade. It seemed that the interests of some sectors of the more developed countries had prevailed over the common good, increasing the already worrisome discrepancy that separated those countries from other regions of the developing world. Trade was a priority for the general and sustainable growth of the economies of many developing countries, which was one reason why there was little hope of achieving the Millennium Development Goals by 2015.

34. The current world situation presented inequalities which demanded urgent reflection. Support by the rich countries for their own agricultural sectors amounted to 10 times the total amount of aid to Africa, and much of that support was in the form of direct or indirect subsidies for agricultural exports, which undermined the agriculture of the poorest countries. The achievement of greater justice through fair trade continued to be a major concern of the Holy See. All parties should step up their efforts to overcome the stalemate in the Doha Round negotiations.

35. There was an urgent need for agreement; it was a moral imperative that could not be delayed. Regional agreements were hardly a replacement for a comprehensive settlement within WTO. The crisis in the Doha Round hinted at a possible slide towards fragmentation; the work begun by the 2005 World Summit must continue if the United Nations was to establish effective operating connections between the General Assembly, UNCTAD and WTO. The joint communiqué issued by country groups at a recent meeting in Rio de Janeiro represented original thinking that might spur the resumption of negotiations; the Holy See hoped that States would return to the table ready to make a fresh start. Trade negotiations could make a substantial contribution to the cause of peace and stability in the world if all States were prepared to

make the necessary sacrifices for the establishment of more just trade relations.

36. **Ms. Soe** (Myanmar) said that her country was greatly dismayed by the suspension of the Doha Development Agenda negotiations. Myanmar had had high hopes that the successful conclusion of the Doha Round would usher in a more specific, stronger and operational focus in the development dimension. The suspension had dealt a serious blow to the international community's efforts to make the multilateral trading system more equitable and development-oriented. Myanmar shared concerns that it would lead to a resurgence of bilateral and regional trade initiatives in which developing countries would find themselves at a disadvantage, and more importantly to the continued persistence of trade-distorting agricultural subsidies. Myanmar therefore joined others in calling for a speedy resumption of the negotiations.

37. Their suspension had been particularly disappointing because even if the developing countries achieved a multilateral trade regime that provided for a level playing field they could still find themselves at a disadvantage under such a regime. All the rules and commitments were more burdensome for developing countries in economic terms. The multilateral trading regime must be more attuned to the asymmetries between its members. A fully inclusive regime must have a sufficient degree of flexibility to reflect their interests and needs.

38. **Mr. Bakri** (Malaysia) said that, with the suspension of the Doha Development Agenda negotiations, hopes for the creation of a global trading system more favourable for development had been lost, possibly irretrievably. The significance of the event, if it did indeed portend the complete collapse of the Doha Round negotiations, could not be overestimated. Not only would all countries lose the economic benefits that freer and fairer trade would bring but the entire multilateral trading system would be threatened. Regional and bilateral free trade agreements, which were second-best solutions, would proliferate and, given the inherent power asymmetries, would put developing countries at a permanent disadvantage, while also strengthening the voices of protectionism throughout the world.

39. Malaysia firmly believed that it was crucial that steps be taken to restart the stalled negotiations process within the shortest possible time frame, and that those steps must be based on the principles of inclusiveness and transparency, and aimed at achieving a pro-development agreement. Given the economic clout of the developed countries, the greater burden for restarting the process fell upon them. The suspension of negotiations had been due to their unwillingness to reach agreement on issues such as agricultural market access, domestic support and non-agricultural market access. Unfortunately, their current positions did not provide an adequate basis for leading the negotiations to a successful conclusion.

40. Beyond the need to resume the stalled negotiations, the issue of the content of the Doha Round's outcome also needed to be addressed. For Malaysia, the core issue was the need to ensure the conclusion of a pro-development agreement that resulted not only in freer but also in fairer trade. In that vein, and in view of the income disparities between the developing and developed countries, Malaysia believed that it was unfair for the developed countries to ask the developing countries to make concessions that were equal to or greater than what they could themselves make.

41. The fact that those demands had been made was due in large measure to the institutionalized asymmetries that had strengthened since the establishment of WTO. It found expression in the highly selective manner in which the greater openness of markets had been pursued by the developed world, reflecting its own predilections and interests. Even more galling was that those interests often represented the vested interests within their own economies rather than a desire for the well-being of their own societies as a whole. Two examples of that double standard were the use of subsidies to support agriculture and intellectual property rights, which were sacred for the private interests of intellectual property right holders, while public interest issues came a very poor second. Furthermore, while the negotiated WTO agreements applied to all members equally in terms of legal obligations, they were much more burdensome for developing countries in economic terms.

42. A number of specific measures needed to be taken if international trade was to be made freer and fairer, and the benefits of globalization were to be more equitably shared. Due consideration needed to be given to the importance of providing adequate policy space for developing countries to pursue their development goals in a manner that took into account the

specificities of each country. The principle of special and differential treatment should be further developed in a manner that served the legitimate development needs of the developing countries. Greater emphasis should be placed on capacity-building and technical assistance in order to enable smaller countries to participate meaningfully in negotiations. Supply side constraints must be tackled by an effective aid for trade programme, channelled multilaterally and integrated into country development strategies.

43. Malaysia remained fully committed to the multilateral trading system under WTO, and considered that the benefits of trade could be equitably enjoyed only if there was a resumption of the Doha Round negotiations with a view to concluding a pro-development agreement. It was incumbent upon the developed countries to bear the greater burden of responsibility in resuming those negotiations, and Malaysia urged them to do so.

44. **Mr. Fomba** (Mali), recalling the commitments made in Monterrey, said that his delegation welcomed the progress made in developing international trade in recent years. According to the Secretary-General's report (A/61/272), world exports had grown by over 13 per cent and the exports of developing countries by 21.3 per cent in 2005. The fact that 42 per cent of developing countries' exports were destined to other developing countries, meanwhile, was very encouraging. Such positive results were due, in part, to the emergence of free trade zones with harmonized and simplified import and export rules. As part of West Africa's efforts to create vast subregional and regional markets, the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS) had both been strengthened. For its part, Mali had strengthened its institutional framework for trade and incorporated the directives of those bodies, and of the Organization for the Harmonization of Business Law in Africa (OHADA), into its legislation. Moreover, the share of its trade that was now being conducted with its neighbours had grown by about 13 per cent.

45. Despite such encouraging results, Mali, like other least developed countries, was still very poorly integrated into the global economy. As noted in the Secretary-General's report, the share of such countries in world trade was only 1.8 per cent for goods and 0.5 per cent for services. That was due, inter alia, to the massive agricultural subsidies provided by some developed countries; insufficient processing of products for export; and poor transport infrastructure. To remedy that situation, he recommended eliminating agricultural subsidies; completing the Doha Round; offering incentives to investors in the North to help finance the establishment of raw material processing units in the South; and, lastly, strengthening human resources and infrastructure in developing countries, particularly the least developed countries.

46. **Mr. Lukwiya** (Uganda) said that most developing countries now considered trade policy a central part of national poverty reduction planning. Uganda had integrated trade into its poverty reduction action plan. The Doha Development Agenda and WTO were an important part of that process. Agriculture was the main source of livelihood for over 80 per cent of Uganda's population. Uganda believed that the final battle in the war against poverty would be in the agricultural sector. It had put in place a programme for the modernization of agriculture, banking on the success of the Doha Round.

47. Unfair trade policies continued to deny the poorest countries an escape route from poverty and perpetuated harmful inequalities. According to a recent UNCTAD survey, the trade barriers faced by developing countries exporting to rich countries were on average three times higher than those faced by rich countries when they traded with each other. An estimated $24 billion was lost annually because of agricultural protectionism and subsidies. The Doha Round had been another positive effort to make trade work for development. However, despite four years of negotiations, very little of substance had been achieved. The very disappointing suspension of the Doha Round, as well as the lack of a resumption date or road map for the way forward, had left a feeling of failure and frustration among developing countries.

48. As noted in the Secretary-General's report, while agriculture and non-agricultural market access continued to pose problems, successes had been achieved in other areas. The commitment to eliminate all forms of export subsidies by 2013 was just one example. The report also stated that reducing tariffs among developing countries would further strengthen ever-expanding South-South trade; he hoped that that would come about through a multilateral agreement, not bilateral agreements. The report also noted that technical measures had doubled within the last decade; such measures were very harmful to developing countries. The report was optimistic that the Doha Round's suspension had not undermined the relevance and importance of WTO. However, his delegation believed that it had weakened multilateralism, at least temporarily, and might trigger an even more pronounced shift away from multilateralism.

49. A lengthy breakdown in negotiations would be another missed opportunity. Uganda agreed that it was the shared responsibility of all countries, and especially the key players, to demonstrate renewed political will and additional flexibility in the search for compromise solutions and welcomed the call for the Secretary-General to be involved in mobilizing support for an early resumption of the negotiations.

50. **Mr. Sadykov** (Kazakhstan) said that his delegation agreed with the Secretary-General that there was an urgent need to resume the suspended Doha Round and that it was the shared responsibility of all countries, and especially the key players, to demonstrate renewed political will and additional flexibility. Kazakhstan was in favour of a global partnership for development based on an open, rule-based, predictable and non-discriminatory trading and financial system. Developed countries must comply with their international obligations, including those relating to the Doha Round, the successful completion of which would contribute significantly to global efforts to reduce poverty and promote development.

51. The main objective of Kazakh trade policy was to establish a common economic area in the region, with Kazakhstan as a regional high-tech, export-import, investment, financial and trading centre. According to the report, some 50 per cent of world trade now took place within regional trade agreements. Kazakhstan was strongly committed to greater regional cooperation, in particular within the frameworks of such regional organizations as the Eurasian Economic Community (EURASEC), the Economic Cooperation Organization (ECO), the Shanghai Cooperation Organization (SCO) and the United Nations Special Programme for the Economies of Central Asia (SPECA). A free trade regime without exemptions and limitations had been introduced in the EURASEC territory and, at an informal EURASEC summit held earlier that year, Belarus, Kazakhstan and the Russian Federation had agreed to press ahead with the establishment of a customs union in early 2007.

52. Transport infrastructure was a key factor for successful economic development. High transport costs undermined the competitiveness of landlocked developing countries and had a tremendous trade-reducing effect. The interests of such countries must be taken into account when decisions were taken on economic development, international trade and interregional cooperation. Integration in the global trading system was crucial for their economic growth and development.

53. Trade liberalization and WTO membership were key elements of the country's development strategy. Kazakhstan was now in the final stages of WTO accession. He hoped that the terms under which Kazakhstan joined WTO would not undermine its economic development priorities. Kazakhstan required longer transition periods in a number of key areas and more flexible measures in the agricultural sector. Landlocked countries should enjoy simplified accession procedures and negotiations and terms of accession that took full account of their interests as countries with vulnerable economies.

54. **Mr. Al-Azmi** (Kuwait) expressed regret that many developing countries had still not harvested the fruits of globalization and called for a diverse and equitable system in which developing countries had access to markets and a say in the formation of global economic policy. In this regard, it hoped for the speedy resumption of the Doha Round with fair participation by developing countries.

55. His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Emir of the State of Kuwait, had given development the highest priority. Since signing the World Trade Organization (WTO) Agreement in 1994, Kuwait had overhauled its trade laws with a view to integration into the global economy and encouraging foreign and local investment. The crowning achievement of Kuwait's ambitious plans to privatize and diversify its economy was a $150 billion "al-Harir city" project to serve as a giant regional and international hub of trade, investment and the movement of goods and technology. Kuwait was also negotiating various free trade agreements both bilaterally and through the Gulf Cooperation Council (GCC).

56. Some States had made great strides towards achieving the Millennium Development Goals, but further progress would require a joint commitment by

developed and developing countries alike. Kuwait welcomed the commitment by many developed countries to meet the agreed-upon official development assistance target of 0.7 per cent of GNP, and called on them also to reduce debts and eliminate tariffs on developing countries' products. Although a developing country itself, Kuwait had provided approximately double the agreed-upon percentage through the Kuwait Development Fund, which had distributed over $12.5 billion in assistance to 101 developing countries, over and above donations to peoples in need from Kuwaiti non-governmental sources. Indicators showed that Kuwait itself, though a small country, was on its way to implementing the Millennium Development Goals ahead of schedule. Collective action was the key to achieving comprehensive and sustainable development.

57. **Mr. Al-Kuwari** (Qatar) said that while the prospects of the global economy had improved, particularly over the preceding year, the challenges remained the same. He wished to focus particularly on the policies and measures necessary for including developing countries in global economic decision-making. Assistance from developed countries was of no use if developing countries were deprived of market access on beneficial terms and liberalization took place on a selective basis. Movement of capital needed to be accompanied by the unrestricted movement of trade and natural persons.

58. Developing countries had pinned great hopes to the Doha Round negotiations, and Qatar hoped that their suspension would not give rise to doubts about the effectiveness of WTO as the cornerstone of the multilateral trading system. The international community should summon the necessary will to resume the negotiations at the earliest opportunity, with emphasis on the elimination of protectionist tariffs, preferential market access for developing countries' goods, a greater role for developing countries in formulating environmental, health and safety standards, and the preservation of technical assistance and capacity-building programmes. Qatar praised UNCTAD for its contributions to the São Paulo Consensus and other multilateral and regional trade negotiations, and called for fewer obstacles to WTO membership.

59. **Mr. Mofadal** (Sudan) expressed grave concern at the suspension of the Doha Round which, if prolonged, would affect the stability of the entire multilateral trading system and cause a re-emergence of protectionism, with all its negative repercussions. The suspension also implied the persistence of subsidy-related distortions in international agricultural trade, which affected developing countries' efforts to increase their export earnings. Even the Director-General of WTO had recognized that developing countries would be hurt more than others. It was essential, therefore, for the Doha Round to resume as soon as possible and for developed countries to demonstrate flexibility in order to preserve the stability of the multilateral trading system.

60. A key issue affecting the Sudan's development prospects was WTO accession. The Sudan was taking serious steps to meet the WTO accession criteria. Recalling General Assembly resolution 60/184, which stressed the importance of facilitating the accession of all developing countries, in particular the least developed countries, that applied for WTO membership, he strongly appealed to WTO members to facilitate the Sudan's accession, taking into account that it was a least developed country and a country emerging from conflict.

61. Another key, and interlinked, issue was duty-free and quota-free market access for its agricultural products. Agriculture was the Sudan's most important economic sector, accounting for around 45 per cent of the GDP. It employed over 50 per cent of the labour force, supplied food and shelter for the population and provided raw materials for the manufacturing sector. Opening up developed country markets to Sudanese agricultural products would impact positively on the Government's efforts to eradicate poverty, combat unemployment, achieve the Millennium Development Goals, sustain economic growth and achieve balanced regional development. The latter was vital for sustaining peace and preventing new conflicts, since the root causes of the conflict in the south of the country and Darfur were legacies of unbalanced regional development.

62. Referring to the principle that responsibility for development lay primarily with developing countries, he said that, as a result of his Government's serious efforts to achieve development, the Sudan now enjoyed a one-digit inflation rate, a stable exchange rate and a positive economic growth rate averaging 6.6 per cent in the period 2000-2004. GDP growth — 8 per cent in 2005 — was expected to reach 13 per cent in 2006. However, the country still faced the daunting task of

large-scale reconstruction and development following the conflicts in the south of the country and Darfur, for which it required assistance and resources. The missing link in the Sudan's partnership for development was the international community's support. Another key area was trade policy and development capacity-building, as the Sudan needed not only lower tariffs and improved market access, but also enhanced supply capacity.

63. **Mr. Yun** Kang-hyeon (Republic of Korea) said that, while he was not particularly optimistic that there would be an early resumption of the Doha Round, delegations should exercise caution when describing the current situation, as prophecies could be self-fulfilling. He would prefer the term "suspension", rather than "collapse" or "breakdown".

64. The Doha Round should be resumed and brought to a successful conclusion as soon as possible. Too much was at stake. Any failure of the Round would seriously undermine the multilateral trading system. Developing countries would pay the highest price, while other players would be able to seek alternative solutions. As his delegation had stated before, the greatest benefits of development stemmed not from ODA or debt relief, but from trade. There was no point in discussing the former without first addressing the latter.

65. As to when and how negotiations could be resumed, the Director-General of WTO had recently said that the major players should make the first move. Finger-pointing or name-calling did not serve the common interest. While he acknowledged the sensitivities of the members of the "New Quad" — namely, the United States, the European Union, India and Brazil — their collective leadership was the sine qua non for a resumption of negotiations. In the light of ever-growing South-South trade, market access to developing countries should be enhanced. He also hoped for progress in the Global System of Trade Preferences (GSTP) negotiations among developing countries launched at the eleventh session of UNCTAD.

66. When negotiations did resume, agenda items should be across the board. While it was true that market access and agricultural subsidies held the key to unlocking other agenda items, in order to secure a balanced outcome for each member, rules and market access issues should be addressed together under the "single undertaking" principle, as agreed in Doha. Focusing on a limited market access package would simply result in continued delay.

67. Lastly, responding to concerns raised over the recent proliferation of free trade agreements, he said that the suspension of the Doha Round was bound to encourage WTO members to place more emphasis on bilateral trade agreements. The Republic of Korea, too, had joined that trend, as a way of proving its commitment to economic liberalization and reform. However, his delegation still believed in the primacy of a rule-based multilateral trading system. In that regard, it would associate itself with efforts to revive the suspended talks and at the same time pursue free trade agreement negotiations currently under way.

68. **Mr. Gerus** (Belarus) said that developing countries would be unable to attain the Millennium Development Goals on time at their current rates of economic and trade growth, and in that regard his delegation endorsed the view that favourable conditions for international trade were even more important for those countries than debt relief or development aid.

69. The General Assembly, in order to enhance its role and that of the United Nations as a whole in resolving the most acute global problems, must adopt a clear resolution aimed at the successful completion of the Doha Development Round. In order to ensure that the Doha Round genuinely promoted development interests, existing conditions for international trade must weigh in favour of developing countries and countries with economies in transition. The suspension of the Doha negotiations had called into question the progress that had been achieved, and to some extent had undermined trust in the multilateral trading system.

70. Belarus welcomed the timely adoption by the Sixth WTO Ministerial Conference, held in Hong Kong in 2005, of decisions relating to the elimination, by 2013, of all forms of export subsidies in agriculture and the provision by developed countries, by 2008, of duty-free and quota-free market access for at least 97 per cent of products originating from least developed countries.

71. It was troubling that the liberalization measures and economic reforms demanded of WTO applicants far exceeded the concessions and obligations undertaken by current members at similar stages of development. While Belarus was ready to comply fully

with existing WTO rules, it would not accept any additional discriminatory obligations, which would harm its manufacturers, service providers and technology developers.

72. Belarus hoped that WTO members, particularly developed countries, would set out fair and equitable conditions for accession commensurate with the trading, financial and development needs of acceding countries. In that regard, Belarus would spare no effort in contributing to the goal of making WTO a truly universal organization, inter alia by according priority to the prompt conclusion of negotiations on the accession of new member countries on the basis of conditions acceptable to all.

73. The undermining of the principle of non-discrimination in world trade and the principle of "most favoured nation", which was the foundation for the international trading system and enshrined in WTO norms, left third countries vulnerable to discrimination, particularly through protectionist measures applied by developed countries. It was vital to redress the situation by significantly reducing the level of tariff and non-tariff barriers. To that end, Belarus was offering preferential tariffs to a large number of developing countries.

74. Belarus also condemned recent attempts by certain powerful countries and groups of States to use unilateral economic measures, including through trade, to exert political and economic pressure on sovereign States. Such practices violated the Charter of the United Nations and the principles of international law, and were incompatible with efforts to accelerate progress towards attaining the Millennium Development Goals; there was no place for them among the foreign policy instruments of United Nations Member States.

75. **Mr. Motter** (Inter-Parliamentary Union) said that, in order to break the impasse in the Doha Round negotiations, it was essential to review in depth and draw lessons from the past five years of trade talks, particularly since five years was a long time in the fast-moving era of globalization.

76. The Inter-Parliamentary Union recognized the importance of trade as an engine of economic growth and, for developing countries in particular, a means of achieving the Millennium Development Goals and other development objectives. Trade was better than aid in that it promoted self-reliance and greater prosperity. However, while in principle trade liberalization optimized production factors, which could help generate employment while lowering prices for goods and services, the problem was how to translate principles and economic theories into workable day-to-day realities.

77. In order to bring parliaments closer to the trade negotiating process, IPU had created the Parliamentary Conference on the World Trade Organization, the objective of which was to oversee and promote the effectiveness of WTO activities, maintain dialogue with governmental negotiators and civil society, facilitate information exchange, sharing of experiences and capacity-building for national parliaments in matters of international trade and exert influence on the direction of discussions within WTO. The debates and conclusions of the Conferences clearly demonstrated that the reasons for the present impasse in trade negotiations were not simply technical, but deeply political. However, parliamentarians participating in the Conferences and related events generally supported the Doha Round provided that it reconciled the many concerns of their constituents.

78. Regarding agriculture, the Parliamentary Conference on WTO had called for the elimination of export subsidies and the reduction of trade-distorting domestic support to agriculture by developed countries. At the same time, it had stressed the importance of addressing special treatment for "sensitive" and "special products" and for the non-trade concerns of agriculture, including food security, land conservation, revitalization of rural society and rural employment, as well as the issues of sustainable forestry, illegal logging and fisheries.

79. With respect to services, IPU members were generally supportive of further liberalization, provided that it was pursued with caution, specifically in such areas as those services relating to health, education and the basic needs of the population. They also believed that every country had the right to protect its cultural diversity and to conserve and develop public services.

80. The various declarations of the Parliamentary Conference relating to the environment called for WTO rule-making and goals to be coherent with the obligations undertaken under multilateral environmental agreements (MEAs) and stated that the environmental legislation of WTO members should not be seen as a non-tariff barrier to trade.

81. The experience of the Parliamentary Conference showed that further liberalization required more extensive political debate at the national level, involving all sectors of society and the economy. It was important to reassure the parties to such debate, as well as the general public, that a freer and more competitive global economy would help bridge inequalities rather than creating them, and that they would be assisted in the transition and adjustment to other economic sectors. Members of Parliament from many developed countries had stated that their countries needed much more support than was currently available in order to be able to participate in the global economy without undercutting their fledgling industries, sacrificing indigenous knowledge or overexploiting their natural resources.

82. A successful conclusion to the trade negotiations required the conviction that there was broad and sufficient political will on the part of all States to implement that end result, which would inevitably require support from the political parties and factions represented in each parliament. Clearly, therefore, parliaments should be more closely involved in the area of trade and trade negotiations, which would enable them to play their part in building political support and ultimately translating the outcome of the Doha Round into reality for the benefit of all citizens.

83. **Mr. Sabri** (United Nations Industrial Development Organization) said that trade capacity-building was one of the three areas of focus of UNIDO activities. In order to carry out its work in that area, UNIDO worked closely with various organizations within and outside the United Nations system to provide more integrated support services for the achievement of internationally agreed development goals, including the Millennium Development Goals.

84. The UNIDO trade capacity-building initiative provided developing countries and countries with economies in transition with support services in three areas.

85. In the first area, it helped to develop competitive manufacturing capability through enhancement of product and production quality, greater productivity and improvements in safety and cost-effectiveness.

86. In the second area, it helped to promote conformity with market requirements by establishing the necessary physical and institutional infrastructure to certify that products conformed to the technical requirements of the multilateral trading system, with particular attention to the development of standards and conformity assessment infrastructures.

87. In the third area, it cooperated with other organizations, such as UNCTAD and the International Trade Centre (ITC), that specialized in and focused on enhancing connectivity to markets through more effective participation in international trade negotiations and streamlining of customs procedures and mechanisms to increase trade flows.

88. UNIDO was recognized as a major player in helping developing countries build and strengthen their trade capacity, and its highly specialized expertise had made it the largest provider of trade-related technical assistance among United Nations agencies. It had recently led the work of an inter-agency working group on trade capacity-building under the High-Level Committee on Programmes of the United Nations System Chief Executives Board for Coordination (CEB) to improve the coordination and coherence of United Nations agencies in trade capacity-building, inter alia through the preparation of a guidebook on the various trade capacity-building and trade-related programmes and services offered by the United Nations system.

89. UNIDO was assisting a number of countries in developing internationally recognized certification services in quality control, environment protection, social accountability, food safety and other areas, inter alia by training inspectors and auditors.

90. Within the framework of the European Union-UNIDO-West African Economic and Monetary Union (UEMOA) Quality Programme, UNIDO had helped national institutions and enterprises in the fisheries sector in Bénin, Côte d'Ivoire and Togo to improve the quality and safety of their exported products in conformity with international sanitary requirements. A second phase would extend the programme to other countries of the Economic Community of West African States (ECOWAS) and to Mauritania, and similar regional programmes were being implemented in the Mekong River countries and the countries of the South Asian Association for Regional Cooperation (SAARC).

91. In cooperation with WTO, UNIDO was helping cotton farmers to develop cotton standards and enhance their product quality to obtain higher profits.

92. In order to facilitate access of developing countries to international investment and trade-related technology, UNIDO used its worldwide networks of Industrial Subcontracting and Partnership Exchange (SPX) centres and investment and technology promotion offices (ITPO) to promote their attractiveness to foreign direct investment through policy advice to improve their investment code, enhance their institutional capacities for investment promotion and establish business alliances to link them to foreign enterprises.

93. In 2005, UNIDO had conducted its third Africa Foreign Investor Survey, which provided a deeper understanding of different investor types and their impact on host economies. In addition, it had identified investment opportunities in Africa and presented them to Chinese investors at the Ninth China International Fair for Investment and Trade in 2005, held in Xiamen.

94. The promotion of South-South trade and investment cooperation had become a major feature of UNIDO activities, focusing increasingly on technology transfer from India and China to other developing countries, especially Africa and the least developed countries.

95. UNIDO had recently opened a liaison office in Brussels to bring it closer to the European Commission, which had generously funded some of the most successful UNIDO programmes in trade capacity-building.

96. **Mr. Saad** (Libyan Arab Jamahiriya) said that it was distressing that tariff protection by developed States of their industrial and especially their agricultural sectors prevented developing countries from receiving their fair share of international trade. The suspension of the Doha Round did not bode well for the future of the world economy; negotiations should be resumed, according priority to the needs of developing countries. The WTO membership process must be eased as well. The speaker stressed the importance of supporting the role of UNCTAD in the search for new ways for developing countries to benefit from trade and market-related technologies. African States, in particular the least developed countries, were in need of assistance to improve agricultural capacities and market access. Initiatives by the African Union, African regional economic communities and the New Partnership for Africa's Development (NEPAD) were notable in that regard.

97. **Ms. Puri** (United Nations Conference on Trade and Development), summing up, said that despite success stories about the increasing role of trade in GDP, the growing export share of developing countries and the contribution of trade to the attainment of the Millennium Development Goals, not all countries were benefiting from trade liberalization, and some, particularly the least developed countries, had been marginalized. Those countries needed appropriate strategies for governance, trade liberalization and institutional development, together with the necessary flexibility, policies best suited to their respective levels of trade development and financial needs and capacities and support at the international level in the form of adequate trading conditions, financial monitoring and good governance. They also needed market access in key areas of export, particularly commodities, agriculture, manufacturing and services, as well as a viable commodity sector for better terms of trade and poverty reduction, assistance for infrastructure development, and aid for trade and supply capacity-building and for cushioning the impact of adjustment costs.

98. While the multilateral trading system continued to be the central pillar of the international trading system, North-South and South-South regional trade agreements — which should be open, non-discriminatory, rule-based, predictable and equitable — were of increasing importance in bolstering that system. In that context, universal concern had been expressed regarding the possible consequences of the suspension of the Doha negotiations, including protectionism, fragmentation of the trading system and failure to address some of the systemic distortions that the negotiations had set out to address, thus blocking the path towards a freer and fairer trading system and affecting the development content of that system, particularly in the area of agriculture. Delegations had therefore called for the early resumption of negotiations and renewed political commitment and will on the part of major players in order to facilitate their early, successful and balanced conclusion.

99. Major components of the Doha development package should include duty-free and quota-free treatment for least developed countries, preference erosion, reform of rules of origin, special and differential treatment and less than full reciprocity, special products and special safeguard mechanisms in

agriculture and aid for trade, which required additionality, predictability and dedicated multilateral funds. Agricultural trade and reform were seen as key to breaking the deadlock, and liberalization of the agriculture sector was regarded as particularly important for developing countries. It was also important to address non-tariff barriers — which were now blocking market entry as well as determining market access — in the context of the worldwide lowering of tariffs.

100. Many had emphasized the contribution of developing countries, in accordance with their respective capacities, towards finalizing the development package. The problems of acceding countries had been highlighted, particularly those of economies in transition and developing and least developed countries. At the same time, delegations had welcomed such successes as the unprecedented increase in South-South and intra-South cooperation and trade and the growing international trading activities and economic integration of many developing countries.

101. Particular attention had been drawn to the interregional dimension in South-South trade and investment and, in that context, the importance of Generalized System of Trade Preferences (GSTP) negotiations for South-South trade liberalization in enhancing the Doha negotiations and regional South-South arrangements. Key issues for the future of the international trading system for trade and development had been identified, including the liberalization of temporary movement, which would prevent illicit migration and would have spin-offs for both home and host countries while absorbing the enormous youth and labour power now entering global markets. The new energy economy, which was posing both opportunities and challenges, needed to be addressed. Foreign direct investment and science and technology would increasingly be the determinants of international competitiveness in trade and development, and in that regard delegations had referred to the role of UNCTAD as a focal point for the integrated treatment of trade and development and related areas of finance, investment, environment and technology. With regard to trade capacity-building, UNCTAD was called upon to undertake further efforts in the areas of research and analysis and technical cooperation. Emphasis had also been placed on the pivotal coordination role of UNCTAD in the United Nations system-wide context, in aid for trade and in monitoring all trade and development issues as they emerged, including within the context of negotiation, both multilateral and within the framework of regional trade agreements. UNCTAD had taken careful note of all ideas put forward and would respond positively to those suggestions.

The meeting rose at 6 p.m.